

REMARKS BY
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BEFORE THE
3RD ANNUAL TRANSPORTATION &
INFRASTRUCTURE CONVENTION

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Thank you, John (John Horsley) for the kind introduction and for all you do at AASHTO.

I want to talk today about the FRA high-speed and intercity passenger rail program, the National Rail Plan, and some of our safety initiatives. But I'd like to start off first with a little history lesson.

From Presidents Wilson to Eisenhower, Thomas MacDonald was Chief of the Bureau of Public Roads in the US – he was also president of AASHTO for a while.

MacDonald ran the roads from when they were mostly dirt, to the development of the “hard roads” and then later helped create the interstate highway system.

MacDonald instilled on his staff and superiors that vision is the key to any successful, large project. Working with President Eisenhower, MacDonald created the vision for the Interstate Highway System.

To put this vision into perspective at the time, no one knew where the roads would exactly go, how much it would cost, and it ended up taking more than three years to fund the initial project.

Forty years later, we have a highway system that is “comprehensive and one of the finest in the world.

Long-term vision is often lost in our world today, especially here in DC. But it was vision that gave us the interstate highway system, the Hoover Dam, a vast array of national parks, and put man on the moon.

These were projects that changed the way Americans live, but we haven't had too many of these lately. The high-speed and intercity passenger rail program championed by President Obama is a game-changer.

It's a once in a lifetime opportunity to see a President and bi-partisan leadership to change the way Americans will travel, and we should all realize we are on the starting-edge of creating something that will last for many generations.

It's been just 17 months since the high-speed rail program began under PRIAA, and it was just over a year ago that our lives changed forever with the passage of the Recovery Act.

It is unprecedented for a program of this magnitude to be implemented so rapidly, and FRA has met every deadline along the way.

The President's vision is based on a series of strategic transportation goals. To this point, 18 months ago high speed rail was not supported as a national transportation policy. Now, we are strategically investing in a comprehensive passenger rail network that connects regions and complements our transportation network.

But let's put this initial \$8 billion in funding into perspective.

Highways and airports always received the vast amount of our transportation dollars, billions more than rail through various funding mechanisms. The development of railroads has been pretty well disregarded since President Lincoln.

But the President and Secretary have told us that we need to rebalance our transportation network and make rail a priority.

For our program, we received applications requesting \$57 billion. As \$8 billion was available under the Recovery Act, we had to choose the projects that showed the best prospect for success.

The initial strategic investment decisions balanced five sets of criteria:

- Recovery and reinvestment;
- Competitive travel times that respond to market needs;
- Projects ready to advance;
- Return on investment and public benefits;
- And, creating the foundation for the future network.

This is a fiscally responsible program that recognizes each state and region's priorities and capabilities.

Initially, not every high-speed corridor will be 150 mph or greater. The goal is to achieve travel times in a given market that are competitive with or superior to driving and air travel...and to give the consumer transportation option.

It's about finding the sweet spot of investment between spending and speed that delivers transportation results.

With a commitment to sustained investment in the program, corridors will be built at the same time other projects are made ready to go. By doing this, a pipeline of projects will be created.

To administer this – and quickly get projects out the door – we have created an agency-wide fast-track program that makes this program a priority within the Department of Transportation.

It's about teamwork. Employees with the necessary skills and technical abilities have been "loaned" to FRA from other DOT modes to work side-by-side with the FRA team to begin the immediate roll out of our \$8 billion program.

We have already hired additional staff and more are on the way as part of this next year's budget. That staff will serve as the foundation for the ongoing \$1-2 billion program, while the existing DOT infrastructure will be used to supplement for this \$8

billion peak.

In all, our dedicated FRA staff has already been successful in implementing the President's vision, meeting or exceeding all deadlines, and we intend for that level of success to continue.

We know this will be a long process, and I hope you do, too. Like construction of the Interstate Highway system it will take decades to complete.

Additional funding is in the pipeline, including \$2.5 billion in FY2010 appropriations which we plan to award this fall.

And like any other great government endeavor, the vision needs to continue with bi-partisan political will, public support, and the belief that the goal is important.

Plus, we have another challenge in front of us – developing the country's first National Rail Plan – freight as well as passenger rail.

Freight is a huge economic driver in the US. Rail market share measured in ton-miles has increased from a little over 30 percent in 1980 to approximately 43 percent in 2007.

Demand has softened during this recession, but it is poised to grow even more. Just look at Warren Buffet's purchase of BNSF. He usually sees something most others don't.

This is because the railroad industry continues to slowly attract more freight from the highways, particularly with the growth of intermodal facilities.

In many cases, rail offers economic benefits that trucks cannot reach, and is recognized as the safest mode of transportation that can reduce energy consumption.

Looking at how we move people and goods most effectively is the purpose of the National Rail Plan.

It is a multi-modal effort that involves not only rail, but ports, airports, transit and highways to ensure goods or people move seamlessly utilizing the most efficient mode for a particular part of a journey.

Developing our Rail Plan has many complex issues, so were utilizing extensive outreach across all modes of transportation and state involvement. It is an interactive process that reaches out to all partners.

The final Plan, expected out in about six months, will act as a blueprint for future passenger and freight development and investment. While we have the exciting high-speed rail program and the opportunity to create the first National Rail Plan, FRA also has to keep its eye on its #1 priority, safety.

Most of you know I come from a railroad background – a fifth generation railroader – so safety is close to my heart.

I'm happy to report that railroads remain one of the safest modes of transportation. In the past ten years, train accidents are down 39%. Fatalities are down 60%, but there is still work to do.

In this past year we have made great strides implementing new initiatives that make the railroad environment safer for workers and passengers, including:

- Hours of service reform
- Developing a high-speed passenger rail safety strategy
- Implementing an expanded Risk Reduction program
- And, issuing a final rule on Positive Train Control.

PTC is a lightning rod for many in the industry, but it is perhaps the most significant rulemaking ever at FRA. We expect the carriers to submit their plans on time, by April 16 this year, and to meet the 2015 implementation deadline. These are Congressionally-mandated deadlines and we will uphold the law.

As you can see from my remarks, we have a lot going on at FRA.

From giving birth to a new initiative for passenger rail, to making sure our freight rail system remains the best – and safest – in the world, my colleagues and I have ambitious plans to rethink how we move goods and people in this country.

I hope that you will join us in these endeavors. We need not only your support but your input. I encourage you to work together with stakeholder groups to make sure we are all in this together and on the same page.

This is indeed an exciting moment for rail – a rail true renaissance — in America.

Thank you.

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